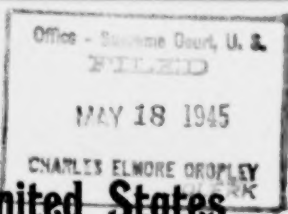




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IN THE
Supreme Court of the United States

WENDELL J. CALEY

defendant-petitioner

vs

RYAN DISTRIBUTING CORPORATION

plaintiff-respondent

No. 1161
October Term
1944

Petitioner's **REPLY** Brief
in support of his
Petition for Writ of Certiorari

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Respondent's Brief (filed May 3, 1945) contains some misstatements which we here wish to correct.

Respondent's Brief is also based on misapprehensions of three points of law, which we here wish to point out.

Respondent's misstatements

In page 2 (line 1) and again on page 3 (line 20) of its Brief, respondent says "the jury found the patent valid and infringed". This is *not* quite a correct statement, because

the matter of "infringement" was *not* submitted to the jury at all, because respondent had confessed infringement (and therefore the question of "infringement" was no longer in issue), and

the *validity* of the patent, *broadly*, was *not* submitted to the jury;—*only* the single fact-question of invention over the *admittedly* and *adjudgedly non-*anticipatory prior-art was submitted to the jury (this having been the sole question remaining in the case).

Respondent is likewise in error when it says in (lines 5-10 of page 5 of) its Brief:

"Here Respondent fully rebutted the starting presumption of validity by *conclusive proof of the patent's invalidity, as shown by the prior art patents*¹, and Petitioner's starting presumption could not then be given weight as evidence in determining Petitioner's right to go to the jury";—

particularly, in labeling the grist of prior patents as "*conclusive proof of the patent's invalidity*" because respondent admitted, and the trial Judge ruled, and so instructed the jury (R. 37-38), that *none* of the prior patents disclosed the hair-curler construction of the patent-in-suit².

If the legal presumption of invention (flowing from the issuance of the patent-in-suit) has any real meaning at all, then prior patents which admittedly and adjudgedly do *not* disclose the same construction as that of the device of the patent-in-suit (and over which the Patent Office had determined the device of the patent-in-suit to be inventive) can **not** alone constitute '*conclusive proof of the patent's invalidity*' on the fact-question of invention.

Respondent's first misapprehension of the law

Respondent's foregoing misstatement was apparently induced by respondent's recognition of the soundness of the point made in our Petition

(that *judgment non obstante veredicto* may **not** be entered or sustained in reliance upon the Anderton patent which the trial Judge had earlier ruled was "not anywhere near the patent" in suit and "a waste of time" to consider (R. 25-26) and as to which the trial Judge discouraged rebuttal because he thought Anderton was of no probative value),

1) all emphasis, and all parenthetical explanations, in quotations, are supplied by us, unless otherwise indicated.

2) "I think nobody disputes that this hair curler (of the patent-in-suit) is useful, nobody disputes that it is new in the sense that just that combination has not been made before . . ." (R. 37-38)

because in lines 16-18 of page 3 of respondent's Brief, respondent retreats to a reliance upon Figures 8 and 9 of the patent-in-suit (illustrating the "Prior-Art") *alone*, as the basis for its contention that the patent-in-suit is invalid;—respondent's Brief saying:

"the Caley patent alone, with its showing of an admittedly prior construction, is sufficient to establish its own invalidity".

However, *neither* the Patent Office, *nor* the trial Judge *nor* the Circuit Court of Appeals *ever* found that the "Prior-Art" illustrated by Figures 8 and 9 of the drawings of the patent-in-suit was, *in and of itself*, sufficient to negative invention. Indeed, the Patent Office granted the patent in the face of such "Prior-Art", and both the trial Judge and the Circuit Court of Appeals based their opinion of "non-invention" in reliance upon the Anderton patent on a metallic price-tag for tagging finger-rings in jewelry-stores which the trial Judge found was "not anywhere near the patent" in suit and "a waste of time" to consider.

This erroneous contention of respondent (at variance with the opinions of *all* the tribunals below), as well as respondent's further statement:

"Here *Respondent fully rebutted the* starting *presumption of validity* by conclusive proof of the patent's invalidity, as shown by the prior art patents, and Petitioner's starting presumption could not then be given weight as evidence in determining Petitioner's right to go to the jury" (page 5, lines 5 to 10 of respondent's Brief),

all point up respondent's first misapprehension of the law, namely as to what presumptions attach to a patent by virtue of its issuance.

Thus, as respondent's "prior art patents", which respondent has unwarrantedly labeled "*conclusive* proof of the patent's invalidity" are not any closer to the structure

of the patent-in-suit than is the "Prior-Art" exemplified by Figures 8 and 9 of the drawings of the patent-in-suit, therefore, if respondent's contention is correct as to the presumptions flowing from the issuance of a patent, then the net conclusion must inescapably follow, that there is **no** presumption of validity attaching to a patent at all. This would follow because if the admittedly and adjudgedly **non**-anticipatory prior-art considered by the Examiner and illustrated on the face of the patent-in-suit is (as respondent puts it) "*conclusive* proof of the patent's invalidity", then the presumption flowing from the issuance of the patent is that of **invalidity** and not of **validity**. Thus, the least that *any* defendant can do in *any* infringement suit is to introduce in evidence one or more of the prior patents cited by the Examiner in the "file-wrapper" of the patent-in-suit, and if these prior patents which had been considered by the Examiner can be "*conclusive* proof of the patent's invalidity" without *any* other oral or documentary evidence, even though the confessed infringer admits and the trial Judge rules that these prior patents do *not* disclose the same construction as that of the device of the patent-in-suit (and that the device of the patent-in-suit is both new and useful even in the light of all the prior patents), then, when coupled with respondent's second misapprehension of the law, hereinbelow pointed out, it would inescapably follow that not only is the presumption flowing from the issuance of the patent that of **invalidity** (instead of *validity*), but, indeed, such a presumption of **invalidity** would be *conclusive* upon the issuance of the patent.

Respondent's second misapprehension of the law

Respondent admits, and the lower Courts have both held, that there was a substantial body of evidence tending to support invention.

Respondent's Brief urges, however, and the lower Courts, in effect, held, that as long as the evidence tending to support the presence of invention is not "*conclusive*", it is no evidence at all.

Of course, there never has been and never will be any *conclusive* evidence of invention;—*in any suit*.

Therefore, it would seem inescapably to follow from respondent's Brief, that if the presumption of invention attaching to the issuance of a patent is so completely meaningless that the very "Prior-Art" illustrated on the face of the patent-in-suit, is alone sufficient not only to overcome the legal presumption of invention, but is also sufficient *conclusively* to evidence non-invention, *even though such "Prior-Art" admittedly and adjudgedly does not disclose the claimed invention of the patent-in-suit*, and if, coupled with that, all the heretofore recognized historic indicia of invention are to be given no weight merely because they do not *conclusively* establish invention, then it necessarily follows that no patent can ever be held valid on the primary fact-question of *invention*, on the basis of the heretofore recognized legal presumption of invention flowing from the issuance of the patent-in-suit and the concomitant burden of proof and on the basis of all the heretofore recognized evidences of invention, and that the validating of a patent *in respect to the fact-question of invention* will be relegated to the unchartable discretion of the trial Judge;—and such discretion then becomes superior to any question of the burden of proof or the probative value of evidence.

If the question of whether or not the fact-question of invention be permitted to go to a jury or whether the jury's fact-finding of invention be overridden (because the trial Judge wishes to decide such fact-question himself or because he disagrees with the jury's conclusion thereon), be left wholly to the discretion of the trial Judge *without any limitations or qualifications*, then the right to a jury-trial to determine the fact-questions (including the fact-question of invention) becomes hollow and meaningless.

The decisions as well as the rationale of the situation indicate a line of distinction. Thus, for instance, where a single prior patent or a single prior-art device, in and of itself, completely anticipates the patent-in-suit, namely,

shows the *same* construction as that of the patent-in-suit, and the identity of the device of such prior patent or prior-art on the one hand and the device of the patent-in-suit, on the other hand, is thus manifest from a mere visual comparison of the two, then the trial Judge may take the case away from the jury. The basis there, for taking the case from the jury, is that there is then no opportunity for any difference of opinion as to what the anticipating prior-art structure is.

That, however, is not the situation in the case at bar, because the trial Judge expressly ruled (and instructed the jury) that the construction of the device of the patent-in-suit is not disclosed in any prior patent or in any "prior-art", and that the device of the patent-in-suit is both *new* and useful (R. 37-38).

The line of distinction indicated by the decisions is to the effect, however, that where, as in the case at bar, the device of the patent-in-suit is not anticipated by any prior patent nor by any "prior-art" device, and the Court must *combine* two or more prior patents or "prior-art" devices in order to synthesize a hypothetical *composite* structure (having *no* actual existence in the "prior-art") in order to reach a conclusion of non-invention in respect to the device of the patent-in-suit, then there is no such identity or fixity of the "prior-art" as to leave no room for any difference of opinion, and then the question of invention is a fact-question reserved for the jury.

Unless the power of the trial Judge is restricted by some such limitation as this, the vaunted right of trial by jury of the fact-question of invention underlying all patent litigation becomes a mirage, and the litigant cannot ever have a trial by jury on this subject as a matter of Constitutional right but only as a matter of the grace of the Court.

The case at bar having been tried to a jury, and the jury having found, as a fact, that petitioner's admittedly *new* and useful hair-curler of the patent-in-suit *did* involve invention over the admittedly and adjudgedly **non**-anticipatory "prior-art", the lower Courts' decisions in the case

at bar, in entering and sustaining *judgment non obstante veredicto*, was clearly a violation of the Seventh Amendment to the Constitution of the United States and an unconstitutional interpretation of Rule 50 of the Rules of Civil Procedure for the District Courts of the United States.

Respondent's third misapprehension of the law

Thus, in the case at bar, the question is

not, as respondent's Brief seems to suggest, **whether** in the opinion of the trial Judge (or in the opinion of the Circuit Court of Appeals) the admittedly *new* and useful hair-curler construction of the patent-in-suit involved invention over the admittedly **non**-anticipatory prior patents, **or whether** judicial opinion of non-invention could be sustained if this were a case tried by a Judge without a jury,

but whether the legal presumption of invention coupled with the six branches of evidence tending to support invention³ and coupled with the complete absence of any relevant evidence against invention not already considered by the Patent Office, entitled petitioner to the benefit of the jury's fact-finding of invention, *in an action tried to a jury*, in view of the guarantees of the Seventh Amendment to the Constitution and in view of Rule 50 of the Rules of Civil Procedure for the District Courts of the United States,

and whether *judgment non obstante veredicto* may be entered or sustained in reliance upon a piece of evidence⁴ which, throughout the trial, the trial Judge regarded of so little probative value as to say that it was "a waste of time" to consider it and the rebuttal of which he discouraged because

³) see part II of *Table of Contents* of respondent's Brief

⁴) the Anderton patent

of his conclusion, throughout the trial, that such piece of evidence ⁴ had no appreciable probative value,

and whether the fact that the trial Judge differed with himself ⁵ as to the probative value of the Anderton patent, doesn't, *ipso facto*, prove that reasonable men could differ as to the conclusions to draw from the Anderton patent.

Respectfully submitted,

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- 5) i. e. the trial Judge's conclusion (during the trial) that Anderton was "not anywhere near the patent" in suit and was "a waste of time" to consider (R. 25-26), and the trial Judge's conclusion (40 days after the trial) that Anderton established non-invention in the patent-in-suit (see fifth line from bottom of R. 44, and the reference to the same Anderton patent in the last paragraph on R. 46)

